

## Senate Bill 78

By: Senators Hamrick of the 30th and Hill of the 32nd

A BILL TO BE ENTITLED  
AN ACT

1 To amend Title 31 of the Official Code of Georgia Annotated, relating to health, so as to  
2 change certain provisions relating to the Department of Community Health's powers, duties,  
3 and functions; to require hospitals and medical facilities to make certain information  
4 available on their Internet websites; to require hospitals and medical facilities to provide  
5 estimates of charges to patients; to require hospital authorities to make certain information  
6 available on their Internet websites; to require hospital authorities to provide estimates of  
7 charges to patients; to provide for the collection and dissemination of certain information by  
8 the Department of Human Resources; to provide for related matters; to repeal conflicting  
9 laws; and for other purposes.

10 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

11 **SECTION 1.**

12 Title 31 of the Official Code of Georgia Annotated, relating to health, is amended in Code  
13 Section 31-5A-4, relating to the Department of Community Health's powers, duties,  
14 functions, and responsibilities, divisions, directors, the Office of Women's Health, and  
15 contracts for health benefits, by revising subsection (f) as follows:

16 "(f) In addition to its other powers, duties, and functions, the department:

17 (1) Shall be the lead agency in coordinating and purchasing health care benefit plans for  
18 state and public employees, dependents, and retirees and may also coordinate with the  
19 board of regents for the purchase and administration of such health care benefit plans for  
20 its members, employees, dependents, and retirees;

21 (2) Is authorized to plan and coordinate medical education and physician ~~workforce~~ work  
22 force issues;

23 (3) Is authorized to convene at least quarterly a state agency coordinating committee  
24 ~~comprised~~ composed of the commissioners, directors, chairpersons, or their designees,  
25 of the following agencies involved in health related activities: the Department of Human

1 Resources, including the Division of Public Health, the Division of Mental Health,  
2 Developmental Disabilities, and Addictive Diseases, and the Division of Aging Services  
3 thereof, the Department of Juvenile Justice, the Department of Corrections, the Insurance  
4 Department, the State Merit System of Personnel Administration, the State Board of  
5 Workers' Compensation, and the Governor's Office of Planning and Budget. The board  
6 of regents may also designate a person to serve on the coordinating committee. The  
7 committee will convene for the purposes of planning and coordinating health issues that  
8 have interagency considerations. The commissioner of the department will serve as the  
9 chairperson of the state agency coordinating committee and will report to the Governor  
10 the activities, findings, and recommendations of the committee;

11 (4) Shall investigate the lack of availability of health insurance coverage and the issues  
12 associated with the uninsured population of this state. In particular, the department is  
13 authorized to investigate the feasibility of creating and administering insurance programs  
14 for small businesses and political subdivisions of the state and to propose cost-effective  
15 solutions to reducing the numbers of uninsured in this state;

16 (5) Shall study and recommend any additional functions needed to carry out the purposes  
17 of the department, including the creation of a consumer medical advocate. Such  
18 recommendations shall be made to the Governor and General Assembly by December 31,  
19 1999;

20 (6) Is authorized to appoint a health care work force policy advisory committee to  
21 oversee and coordinate work force planning activities;

22 (7) Is authorized to solicit and accept donations, contributions, and gifts and receive,  
23 hold, and use grants, devises, and bequests of real, personal, and mixed property on  
24 behalf of the state to enable the department to carry out its functions and purposes; ~~and~~

25 (8) Is authorized to award grants, as funds are available, to hospital authorities and  
26 hospitals for public health purposes, pursuant to Code Sections 31-7-94 and 31-7-94.1;  
27 and

28 (9) Shall conduct research, analyses, and studies relating to the collection of a  
29 statistically valid sample of data on the retail prices charged by pharmacies for the 50  
30 most frequently prescribed medicines from any pharmacy licensed by this state as a  
31 special study authorized by the General Assembly to be performed by the department  
32 quarterly. If the drug is available generically, price data shall be reported for the generic  
33 drug and price data of a brand name drug for which the generic drug is the equivalent  
34 shall be reported. The department shall make available on its Internet website for each  
35 pharmacy, no later than October 1, 2007, drug prices for a 30 day supply at a standard

1 dose. The data collected shall be reported for each drug by pharmacy and by  
2 metropolitan statistical area or region and updated quarterly."

## 3 **SECTION 2.**

4 Said title is further amended by adding after Code Section 31-7-11, relating to written  
5 summary of hospital service charge rates, new Code sections to read as follows:

6 "31-7-11.1.

7 All hospitals and medical facilities licensed under this article shall make available on their  
8 Internet websites, no later than October 1, 2007, and in a hard copy format upon request,  
9 a description of and a link to the patient charge and performance outcome data collected  
10 from such hospitals and medical facilities pursuant to Code Section 31-7-286. Each  
11 hospital and medical facility shall place a notice in the reception area that such information  
12 is available electronically and the Internet website address where it can be accessed. The  
13 hospital or medical facility may indicate that the pricing information is based on a  
14 compilation of charges for the average patient and that each patient's bill may vary from  
15 the average depending upon the severity of illness and individual resources consumed. The  
16 hospital or medical facility may also indicate that the price of service is negotiable for  
17 eligible patients based upon the patient's ability to pay.

18 31-7-11.2.

19 All hospitals and medical facilities licensed under this article shall provide, prior to  
20 provision of any nonemergency medical services, a written good faith estimate of  
21 reasonably anticipated charges for the facility to treat the patient's condition upon written  
22 request of a prospective patient. The estimate shall be provided to the prospective patient  
23 within seven business days after the receipt of the request. The estimate may be the  
24 average charges for that diagnosis related group or the average charges for that procedure.  
25 Upon request, the facility shall notify the patient of any revision to the good faith estimate.  
26 Such estimate shall not preclude the actual charges from exceeding the estimate. The  
27 facility shall place a notice in the reception area that such information is available. Failure  
28 to provide the estimate within the provisions established pursuant to this Code section shall  
29 result in a fine of \$500.00 for each instance of the facility's failure to provide the requested  
30 information."

## 31 **SECTION 3.**

32 Said title is further amended in Article 4, relating to county and municipal hospital  
33 authorities, by adding to the end of such article new Code sections to read as follows:

1 "31-7-97.

2 All hospital authorities subject to this article shall make available on their Internet  
3 websites, no later than October 1, 2007, and in a hard copy format upon request, a  
4 description of and a link to the patient charge and performance outcome data collected  
5 from such hospital authorities pursuant to Code Section 31-7-286. Each hospital authority  
6 shall place a notice in the reception area that such information is available electronically  
7 and the Internet website address where it can be accessed. The hospital authority may  
8 indicate that the pricing information is based on a compilation of charges for the average  
9 patient and that each patient's bill may vary from the average depending upon the severity  
10 of illness and individual resources consumed. The hospital authority may also indicate that  
11 the price of service is negotiable for eligible patients based upon the patient's ability to pay.

12 31-7-98.

13 All hospital authorities subject to this article shall provide, prior to provision of any  
14 nonemergency medical services, a written good faith estimate of reasonably anticipated  
15 charges for the hospital authority to treat the patient's condition upon written request of a  
16 prospective patient. The estimate shall be provided to the prospective patient within seven  
17 business days after the receipt of the request. The estimate may be the average charges for  
18 that diagnosis related group or the average charges for that procedure. Upon request, the  
19 hospital authority shall notify the patient of any revision to the good faith estimate. Such  
20 estimate shall not preclude the actual charges from exceeding the estimate. The hospital  
21 authority shall place a notice in the reception area that such information is available.  
22 Failure to provide the estimate within the provisions established pursuant to this Code  
23 section shall result in a fine of \$500.00 for each instance of the hospital authority's failure  
24 to provide the requested information."

#### 25 **SECTION 4.**

26 Said title is further amended in Article 12, relating to health care data collection, by adding  
27 to the end of such article a new Code section to read as follows:

28 "31-7-286.

29 (a) For purposes of this Code section, 'health care facility' means all hospitals and medical  
30 facilities licensed under Article 1 of this chapter and all hospital authorities subject to  
31 Article 4 of this chapter.

32 (b)(1) The department shall require the submission by health care facilities of data  
33 necessary to carry out the department's duties. Specifications for data to be collected  
34 under this Code section shall be developed by the department with the assistance of

1 technical advisory panels including representatives of affected entities, consumers,  
2 purchasers, and such other interested parties as may be determined by the department.

3 (2) Data submitted by health care facilities shall include, but are not limited to, case mix,  
4 patient admission, and discharge data; hospital emergency department data, which shall  
5 include the number of patients treated in the emergency department of a licensed hospital  
6 reported by patient acuity level; data on hospital acquired infections as specified by rule;  
7 data on complications as specified by rule; data on readmissions as specified by rule, with  
8 patient and provider-specific identifiers included; actual charge data by diagnostic  
9 groups; financial data; accounting data; operating expenses; expenses incurred for  
10 rendering services to patients who cannot or do not pay; interest charges; depreciation  
11 expenses based on the expected useful life of the property and equipment involved; and  
12 demographic data. The department shall adopt nationally recognized risk adjustment  
13 methodologies or software consistent with the standards of the Agency for Healthcare  
14 Research and Quality and as selected by the department for all data submitted as required  
15 by this Code section. Data may be obtained from documents such as, but not limited to,  
16 leases, contracts, debt instruments, itemized patient bills, medical record abstracts, and  
17 related diagnostic information. Reported data elements shall be reported electronically  
18 in accordance with rules established by the department. Data submitted shall be certified  
19 by the chief executive officer or an appropriate and duly authorized representative or  
20 employee of the licensed facility that the information submitted is true and accurate.

21 (3) The department shall establish rules and regulations, after consulting with appropriate  
22 professional and governmental advisory bodies, holding public hearings, and considering  
23 existing and proposed systems of accounting and reporting utilized by health care  
24 facilities, for specifying a uniform system of financial reporting for each type of facility  
25 based on a uniform chart of accounts developed after considering any chart of accounts  
26 developed by the national association for such facilities and generally accepted  
27 accounting principles. Such systems shall, to the extent feasible, use existing accounting  
28 systems and shall minimize the paperwork required of facilities. This provision shall not  
29 be construed to authorize the department to require health care facilities to adopt a  
30 uniform accounting system. As a part of such uniform system of financial reporting, the  
31 department may require the filing of any information relating to the cost to the provider  
32 and the charge to the consumer of any service provided in such facility, except the cost  
33 of a physician's services which is billed independently of the facility.

34 (4) When more than one licensed facility is operated by the reporting organization, the  
35 information required by this Code section shall be reported for each facility separately.

(5) Within 120 days after the end of its fiscal year, each health care facility shall file with the department, on forms adopted by the department and based on the uniform system of financial reporting, its actual financial experience for that fiscal year, including expenditures, revenues, and statistical measures. Such data may be based on internal financial reports which are certified to be complete and accurate by the provider. However, hospitals' actual financial experience shall be their audited actual experience.

(6) Portions of patient records obtained or generated by the department containing the name, residence or business address, telephone number, social security or other identifying number, or photograph of any person or the spouse, relative, or guardian of such person, or any other identifying information which is patient specific or otherwise identifies the patient, either directly or indirectly, are confidential and exempt from the provisions of Article 4 of Chapter 18 of Title 50, relating to inspection of public records.

(7) No health care facility or other reporting entity or its employees or agents shall be held liable for civil damages or subject to criminal penalties either for the reporting of patient data to the department or for the release of such data by the department as authorized by this Code section.

(8) The department shall cooperate with local health agencies and the Department of Community Health with regard to health care data collection and dissemination and shall cooperate with state agencies in any efforts to establish an integrated health care database.

(c) The department shall make available performance outcome and patient charge data collected from health care facilities pursuant to subsection (b) of this Code section. The department shall determine which conditions and procedures, performance outcomes, and patient charge data to disclose. When determining which conditions and procedures are to be disclosed, the department shall consider variation in costs, variation in outcomes, and magnitude of variations and other relevant information. When determining which performance outcomes to disclose, the department:

(1) Shall consider such factors as volume of cases; average patient charges; average length of stay; complication rates; mortality rates; and infection rates, among others, which shall be adjusted for case mix and severity, if applicable; and

(2) May consider such additional measures that are adopted by the Centers for Medicare and Medicaid Studies, National Quality Forum, the Joint Commission on Accreditation of Healthcare Organizations, the Agency for Healthcare Research and Quality, or a similar national entity that establishes standards to measure the performance of health care providers, or by other states.

1 When determining which patient charge data to disclose, the department shall consider  
2 such measures as average charge, average net revenue per adjusted patient day, average  
3 cost per adjusted patient day, and average cost per admission, among others.

4 (d) The department shall determine the method and format for public disclosure of data  
5 reported pursuant to this Code section. At a minimum, the data shall be made available on  
6 the department's Internet website in a manner that allows consumers to conduct an  
7 interactive search that allows them to view and compare the information for specific  
8 providers. The website must include such additional information as is determined  
9 necessary to ensure that the website enhances informed decision making among consumers  
10 and health care purchasers, which shall include, at a minimum, appropriate guidance on  
11 how to use the data and an explanation of why the data may vary from provider to provider.  
12 The data specified in subsection (c) shall be available on the website no later than March  
13 1, 2007.

14 (e) The department shall be authorized to establish rules and regulations to implement the  
15 provisions of this Code section."

#### 16 **SECTION 5.**

17 All laws and parts of laws in conflict with this Act are repealed.